

Community Development Block Grant (CDBG) 2019

Guidelines Training

**Kentucky Department for Local
Government**



General Information for Applicants



General Information

Program Areas

- **Community Emergency Relief Fund (CERF)**
- **Community Projects**
- **Economic Development**
- **Housing**
- **Public Facilities**
- **Public Services**



General Information

Thresholds



General Information

Audit and Program Income Reports Requirements

- Audits- All audits are due annually to DLG within 9 months (March 31) of the Fiscal Year end
- Program Income Reports- All reports are due Semi-Annually for the following periods:
 - January 1st-June 30th and July 1st-December 31st



General Information - Thresholds

Public Facilities, Housing and Community Projects

- 2017 – 2018 projects must be 80% expended
- Program income reports are current and approved (if applicable)
- Audits are current and approved
- 2016 and earlier projects must be closed with Final Closeout or Notice of Completion issued
30 days prior to new application submittal



General Information - Thresholds

Public Facilities, Housing and Community Projects

- Previous Economic Development grantees may apply for Public Facilities, Housing or Community Project funds if:
 - Projects from 2016 and earlier have Final Closeout or Notice of Completion issued **30 days prior to new application submittal**
 - Program income reports are current and approved (if applicable)
 - Audits are current and approved



General Information - Thresholds

Public Facilities, Housing and Community Projects

- **Previous CERF and Public Services grantees may apply for Public Facilities, Housing and Community Project funds if:**
 - Program income reports are current and approved (if applicable)
 - Audits are current and approved



General Information - Thresholds

Traditional/Non-Traditional Economic Development

- 80% expended rule does not apply
- Program income reports are current and approved (if applicable)
- Audits are current and approved



General Information - Thresholds

Community Emergency Relief Fund

- Program income reports are current and approved (if applicable)
- Audits are current and approved



General Information - Thresholds

Public Services

- There are no threshold requirements for this application.



General Information - Thresholds

DLG reserves the right to refuse any application or condition any grant award based on:

- Past performance
- Outstanding grant violations
- Continuing capacity to carry-out fundable activities in a timely manner



General Information - Thresholds

Types of Applications

- Individual
- Multi-Jurisdictional (prior DLG approval required)



General Information

2019 Funds Available (Estimate)

KY Allocation \$22,870,898

Less: Admin Costs \$786,127

Total Amount for Distribution

\$22,084,771



General Information

2019 Split of Funds

Public Facilities	\$6,500,000
Economic Development	\$4,300,000
Housing	\$2,900,000
Community Projects	\$5,284,771
Public Services	\$3,100,000
CERF	To Be Determined



General Information

Grant Ceilings		
	Individual	Multi-Jurisdictional
ED Traditional	\$1,000,000	\$2,000,000
ED Non-traditional	\$250,000	\$500,000
Public Facilities	\$1,000,000	\$2,000,000
Self Help	\$250,000	\$500,000
Community Projects	\$500,000	
Housing	\$1,000,000	
CERF	\$ TBD – Based on Need	
Public Services (Recovery KY) – Existing Facilities		\$200,000
Public Services (Recovery KY) – New Facilities		\$300,000



General Information

Number of Applications

- **Choose one (1) application**
 - Public Facilities,
 - Housing
 - Community Projects
- **Plus Public Services**
- **No limit on CERF and Economic Development**
- **Only one (1) program area per application**



General Information

Submission of Applications

**Department for Local Government
Office of Federal Grants
1024 Capital Center Drive, Suite
340
Frankfort, KY 40601**



General Information

NEW- Mandatory Pre-Application Meetings

Planning and Administration Draws

- **Planning**

- Planning funds must be a budgeted cost on the Cost Summary (line 14).
- Grantees may request these funds upon approval of Release of Funds.
- Grantees may draw \$5,000 - \$10,000 for application preparation and planning depending on the project size and complexity.



General Information

- **Administration**

- The funded project administration draws will be based on the actual project completion:
 - Up to 25% of CDBG admin fee at 25% project completion
 - Up to 50% of CDBG admin fee at 50% project completion
 - Up to 75% of CDBG admin fee at 75% project completion
 - Up to 100% of CDBG admin fee at 100% project completion, Project Completion Report (PCR) and audit approval. (10% would be held if the required audits were not submitted with the PCR for a full closeout).



General Information

Procurement

- Procurement for all professional services must be conducted in a manner that ensures full and open competition consistent with the standards set forth in 2 CFR Part 200 and the KCDBG Procurement Code
- All services to be provided must be procured in accordance with 2 CFR Part 200 and the KCDBG Procurement Code. Actions that might restrict competition would include:
 - ❖ Placing unreasonable requirements on firms in order for them to qualify to do business.
 - ❖ Requiring unnecessary experience.

“Procure early and procure often.”



Citizen Participation

- Advertise the public hearing notice 7-21 days in the local newspaper
- Distribute the public hearing information in other forms (i.e. postings)
- Hold public hearing at a **time and place convenient** to potential beneficiaries
- Furnish citizens with information regarding the CDBG program
- Undertake efforts to reach LMI persons
- Respond to public comments



Citizen Participation

- Do NOT count the date of the advertisement
- Same rule applies for the 15-day environmental review comment period



Citizen Participation

7-21 Day Rule

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 Advertisement	2
3	4	5 Advertisement	6	7	8 First Eligible Hearing Date	9
10	11	12 First Eligible Bid Due Date	13	14	15	16
17	18	19	20	21	22 Last Eligible Hearing Date	23
24	25	26 Last Eligible Bid Due Date	27	28	29	30

Citizen Participation

15-Day Comment Period

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5	6 Advertisement	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21 End of Comment Period	22	23
24	25	26	27	28	29	30

Kentucky State eClearinghouse



eClearinghouse

eClearinghouse Review

- All CDBG applications are subject to the eClearinghouse Review process and must have an endorsement letter submitted with the application
- Exceptions: Economic Development and CERF
- Failure to do so will disqualify the application



eClearinghouse

eClearinghouse Review

- In order to secure the endorsement letter, applicants must submit a request for review to the eClearinghouse at least thirty (30) working days prior to submission of a CDBG application to DLG to make sure it gets an endorsement letter in time to submit with the application



eClearinghouse

eClearinghouse Website

- For eClearinghouse submissions, go to http://kydlgweb.ky.gov/eClearinghouse/16_echHome.cfm
- If you need further assistance, please contact Lee Nalley at Lee.Nalley@ky.gov or (502) 573-2382



eClearinghouse



- The eClearinghouse can be used in any web browser on any device!!
- Click on the Instructions Badge to get the instructions for both the applicant and the reviewer.
- If you a new user you will need to set up an account. If you have *forgotten* your password click on forgot password and the program will email you a temp.
- If your email address has changed PLEASE make sure you change under your information in your workbasket, or email Lee.Nalley@ky.gov to have it changed.



eClearinghouse

Login Page

https://kydlgweb.ky.gov/eClearinghouse/16_echHome.cfm

← → https://kydlgweb.ky.gov/eClearinghouse/16_echHome.cfm Kentucky eClearing... x

File Edit View Favorites Tools Help

x Google Search Share More >> Sign In x Convert Select



KENTUCKY eCLEARINGHOUSE

[HOME](#) [CONTACT US](#)

Welcome to the Kentucky eClearinghouse

If you are unable to navigate through this site, please contact the eClearinghouse staff at 800-346-5606 for grant application assistance.

NEW USERS

[Setup My Account](#)

EXISTING USERS

User ID:

Password:

[Forgot My Username](#) [Forgot My Password](#)

[LOGIN](#)



PRIVACY

Phone
(502) 573-2382
Toll Free
(800) 346-5606

SECURITY

Copyright © 2008-2017
Department for Local Government
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601

ACCESSIBILITY

TDD
(800) 648-6056
FAX
(502) 573-2939

DLG HOME

TDD
(800) 648-6056
FAX
(502) 573-2939

100% 11:47 AM 1/25/2017

eClearinghouse

Update Requests

- View the project in your workbasket, go to Information Request and put Update letter needed for the title. In the box tell why the update is needed and if there are any changes to the project, then click submit.
- If you didn't put the original project in, send email to Lee.Nalley@ky.gov for the request.



eClearinghouse

Water/Wastewater Updates

- Water/Wastewater Projects that need an update; you need to check the WRIS Project Profile to make sure it is the correct project information.
- If its correct and no changes have been made since the original submission then follow the previous slide instructions.
- If the information is not correct and has to be re-entered, it will have to be withdrawn from the eClearinghouse , changes made to the WRIS and then re-submitted to the ECH.



SHPO



Jennifer Ryall

Chris Gunn

**Kentucky Heritage Council
The Barstow House
410 High Street
Frankfort, KY 40601
(502) 564-7005**



Meeting National Objectives

CDBG

COMMUNITY DEVELOPMENT BLOCK GRANT



ECONOMIC DEVELOPMENT



PUBLIC FACILITIES & IMPROVEMENTS



HOUSING



PUBLIC SERVICES



DLG
DEPARTMENT
LOCAL
GOVERNMENT

National Objectives

HUD Guide to National Objectives and Eligible Activities for State CDBG Program

- Chapter 3 – Meeting a National Objective
- <https://www.hudexchange.info/resource/2179/guide-national-objectives-eligible-activities-state-cdbg-programs/>



National Objectives

National Objectives are activity driven.

- An applicant may have multiple activities in a project.
- May identify more than one national objective.



National Objectives

There are **three (3) National Objectives** as identified in Title I of the Housing and Community Development Act and regulations contained in **24 CFR 570.483**.

1. Benefit to Low and Moderate Income (LMI) persons
2. Prevention or elimination of slums or blight
3. Meeting community development needs that have a particular urgency (urgent need)



National Objectives

24 CFR 570.483

a) Low-Moderate Income (LMI)

- Activities in which at least 51% of the persons benefiting are LMI
 1. Area Benefit
 2. Limited Clientele
 3. Housing
 4. Jobs



National Objectives

HUD requires the Commonwealth of Kentucky to expend at least 70% of its yearly allocation to support activities that benefit low and moderate income individuals.



National Objectives

24 CFR 570.483

b) Slums or Blight

- Activities that aid in the prevention or the elimination of slums or blight
 1. Area Basis
 2. Spot Basis



National Objectives

If using **Area Basis** to qualify, the area must:

- First be designated by the applicant and must meet the definition of a slum, blighted or deteriorated area under state or local law
- The state law that identifies slum/blight in Kentucky is KRS 99.340



National Objectives

If using **Spot Basis** to qualify:

- The activity must be designated to eliminate specific conditions of blight or physical decay on a spot basis NOT located in a slum or blighted area.



National Objectives

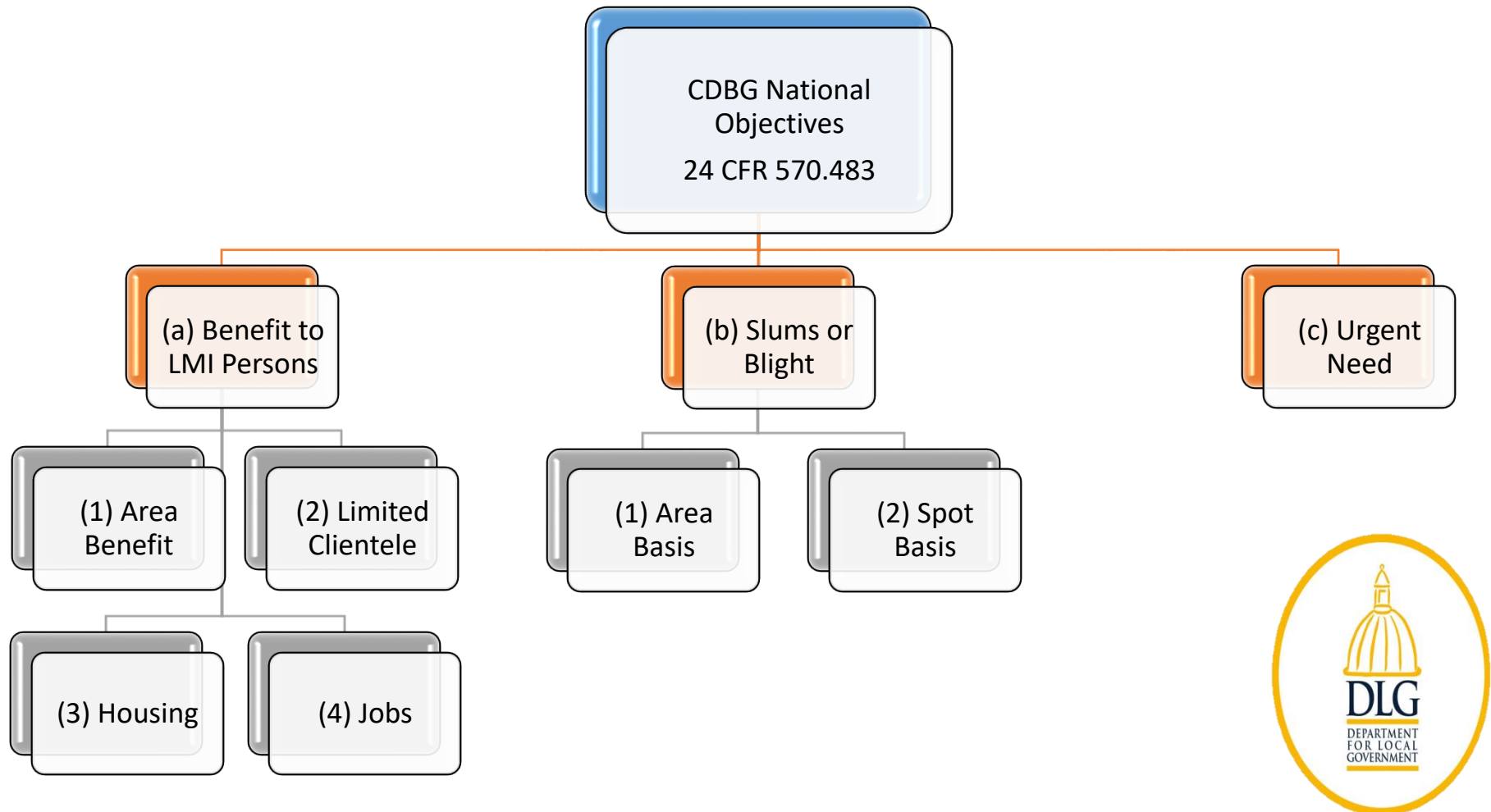
24 CFR 570.483

c) Urgent Need

- Activities designed to meet community development needs having a particular urgency



National Objectives



Local Surveys and Census



Local Surveys and Census

REMEMBER

CDBG Projects are
Activity Driven



Local Surveys and Census

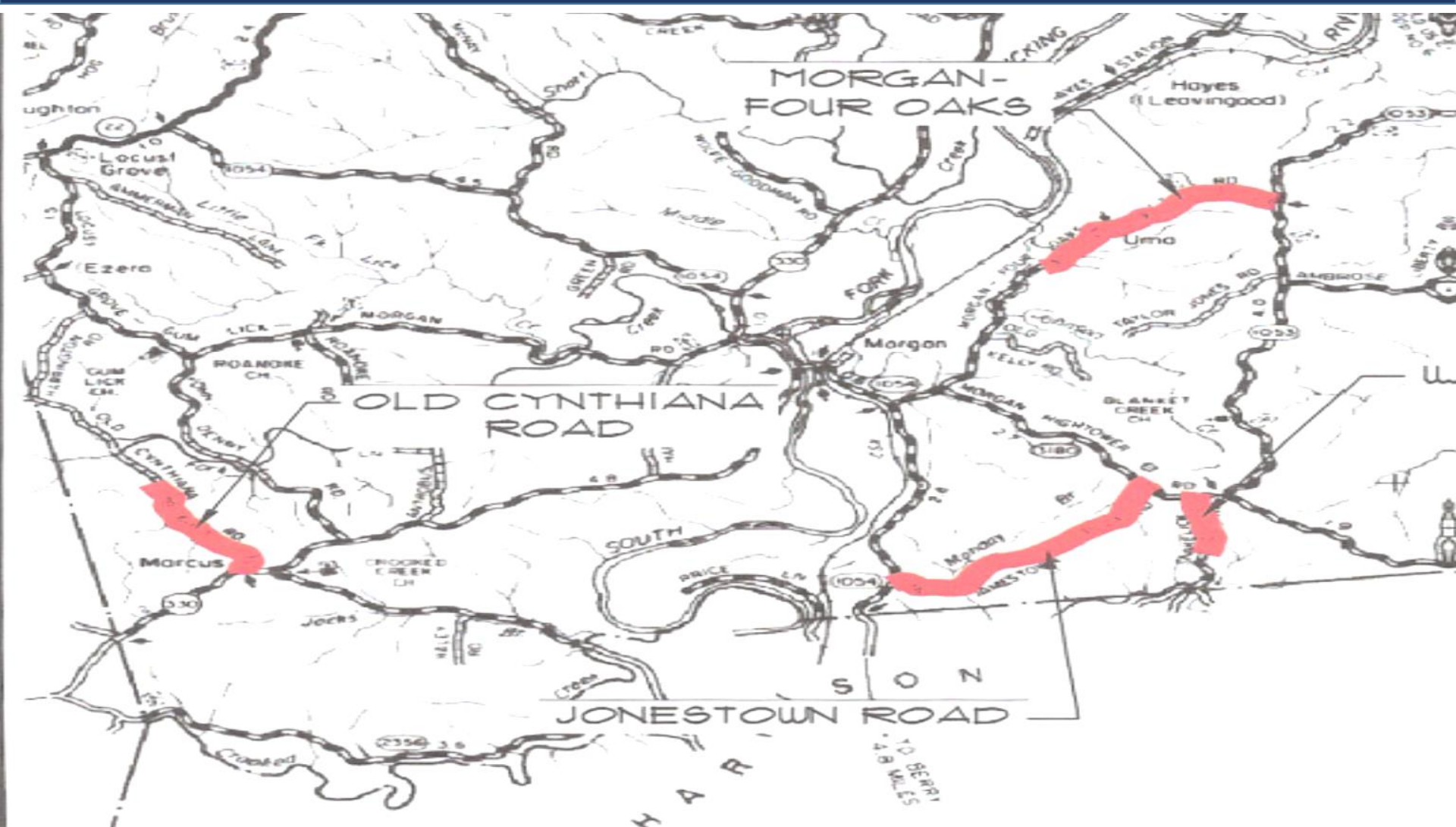
Three Ways to Determine **LMI:**

1. HUD LMI Data (Based on ACS)
2. Surveys
3. Combination



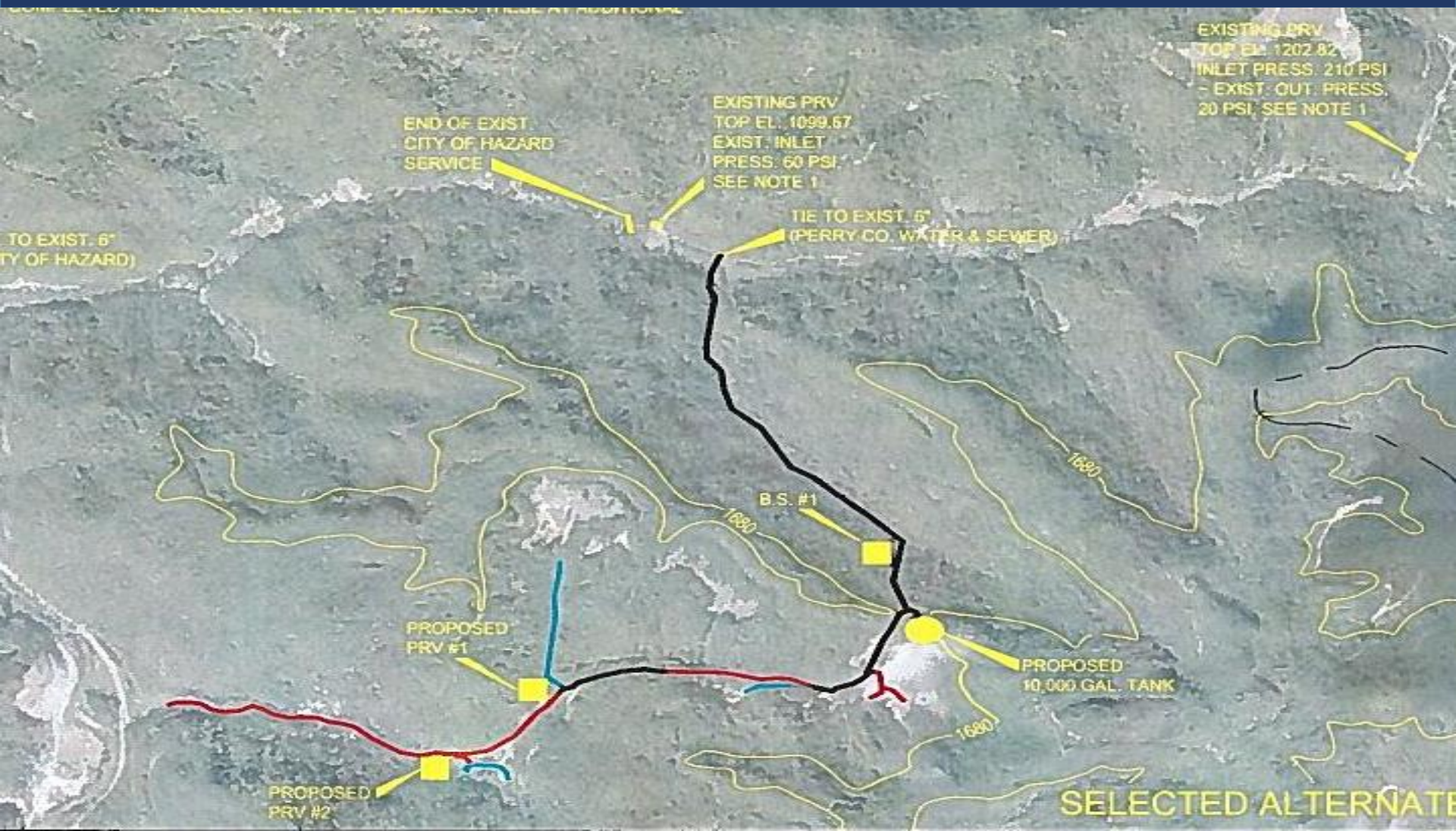
Local Surveys and Census

Non-Continuous Survey



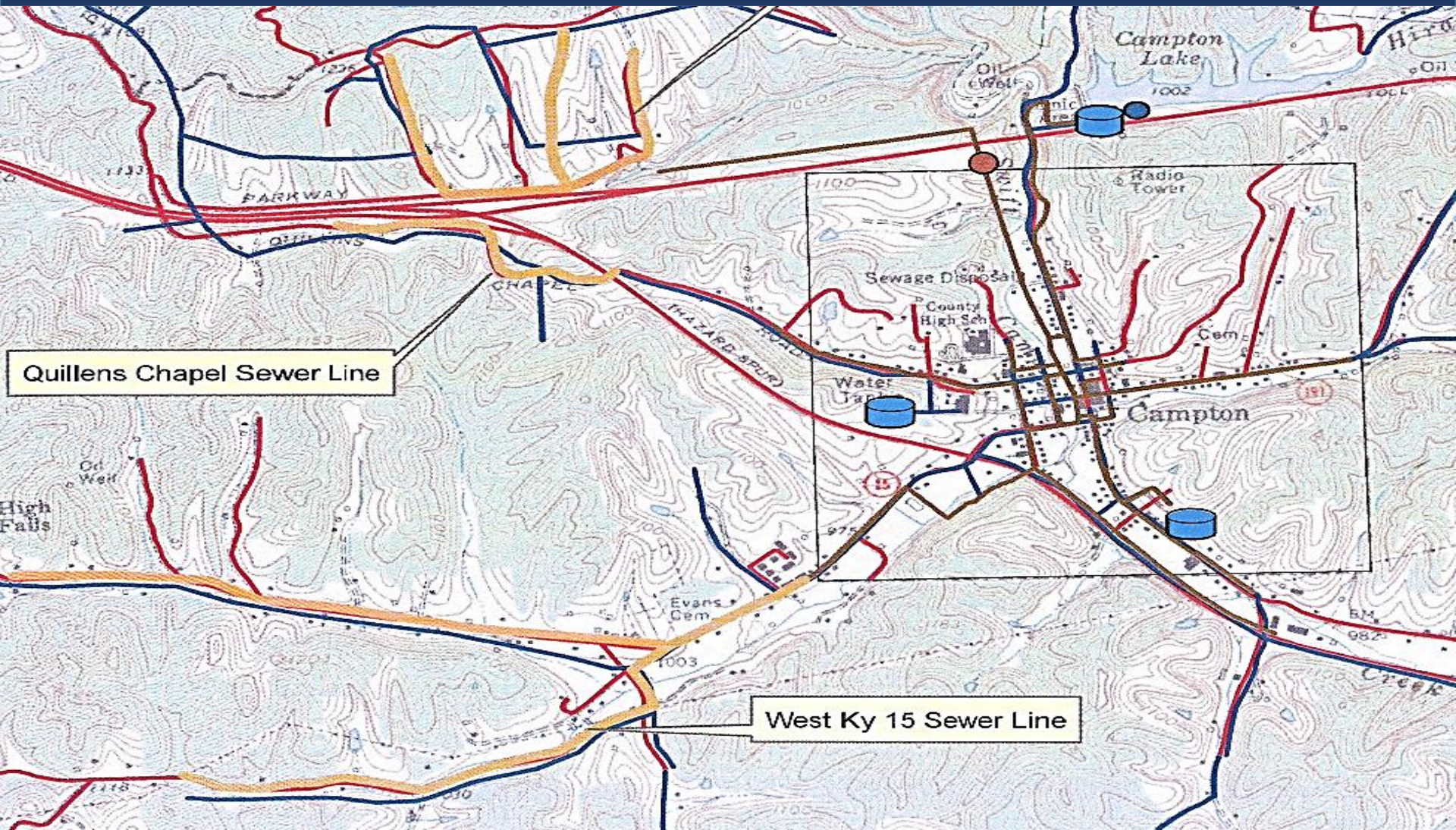
Local Surveys and Census

Continuous Survey



Local Surveys and Census

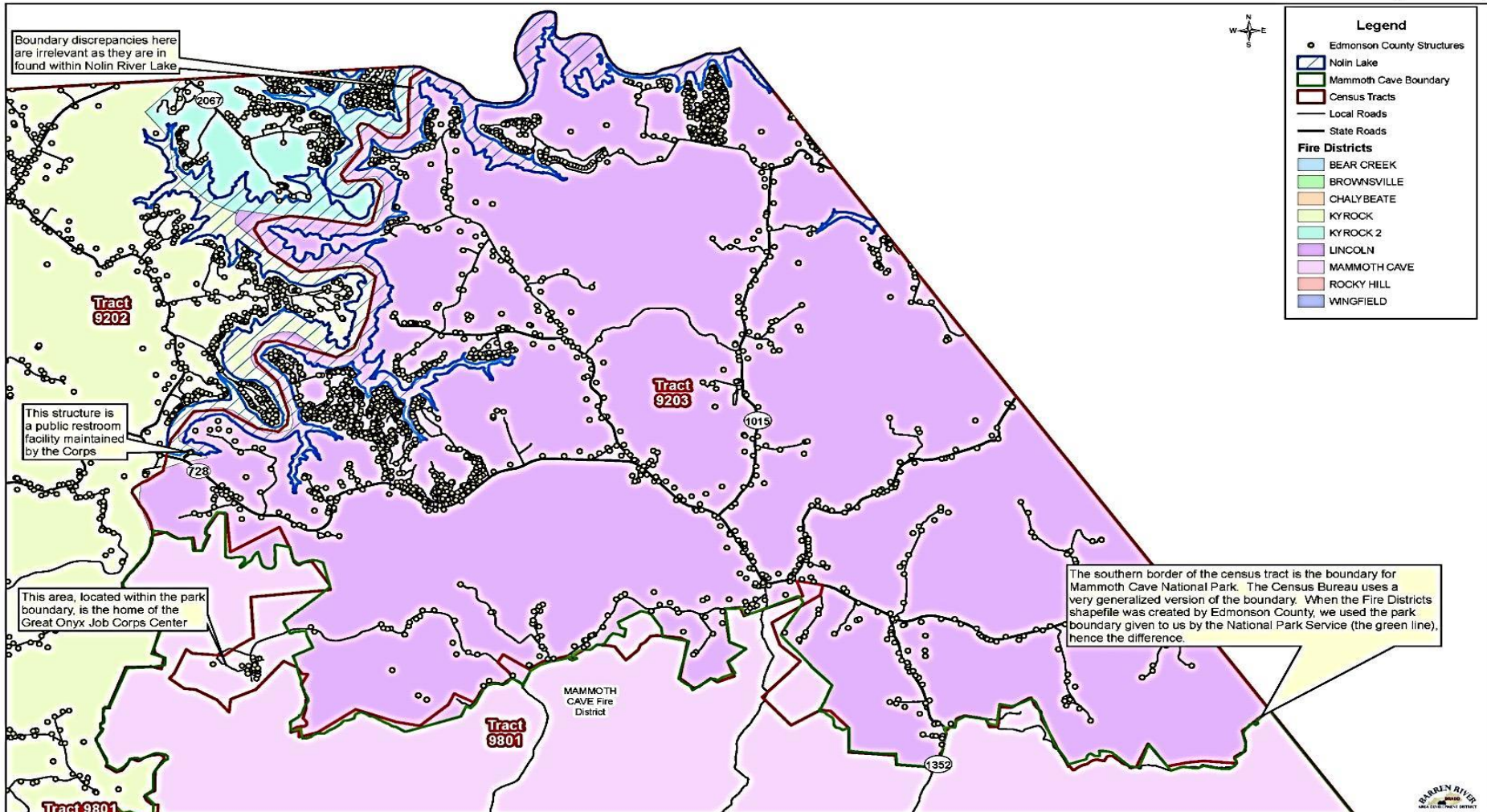
Combination Survey



Local Surveys and Census

2010 U.S. Census Tracts with Local Fire Districts

Edmonson County, Kentucky



Local Surveys and Census

STEP 1 – Select the Type of Survey

- Note: ED projects will survey new hires on the back-end of the project. However, please include a letter from the company agreeing to hire 51% low- and moderate-income individuals.



Local Surveys and Census

STEP 2 – Develop the Questionnaire

- Sample surveys on DLG's website
- 2018 Income Limits



Local Surveys and Census

Survey Examples

SAMPLE HOUSING SURVEY

For Official Use

Over: _____

LMI: _____

VL: _____

SL: _____

Name _____

Address _____

Phone _____

Number of Persons in Household _____

Number of Household Members 62 or Older _____

Number of Disabled in Household _____

Household Information --Total number of persons in household by:

1. Race White _____ Black/African American _____ Asian _____ American Indian/Alaskan Native _____ Native Hawaiian/Other Pacific Islander _____ American Indian/Alaskan Native & Black/African American _____ American Indian/Alaskan Native & Other _____ Asian & White _____ Black/African American & White _____ Other Multi-Racial _____
2. Ethnicity Non-Hispanic _____ Hispanic _____
3. Total number of persons in household that are: United States Citizens _____ Nationalized Citizens _____ Lawfully Present Aliens _____
4. Head of Household: Male _____ Female _____
5. Age of Head of Household _____
6. Will your home require modifications to accommodate disabled occupant(s) in the household? Yes _____ No _____
7. What year was your home built? _____ If not sure, do you think it was built after 1978? Yes _____ No _____
8. Do you own or rent your home? Own _____ Rent _____
9. How much is your rent or mortgage payment per month? \$ _____
10. How many bedrooms does your home have? _____
11. Have you received federal assistance in the past for repairs to your home? Yes _____ No _____
If yes, please explain: _____
12. Is this property used for any purpose other than residential? Yes _____ No _____ If yes, please explain: _____
13. What type of sanitary waste disposal does your home use? Connection to a Sanitary Sewer _____ Septic Tank _____ Outdoor Toilet _____ Other: _____
14. Is your home tapped to a public water line? Yes _____ No _____ If no, do you receive drinking water from a Well _____ or a Cistern _____?
15. Has your home ever had flood damage? _____
16. Are any household members related to city/county employees or elected officials. Yes _____ No _____. If yes, please explain _____

Voluntary Scattered Site Projects Only:

17. How did you learn of this project? Newspaper _____ Radio/TV _____ Friend/Neighbor _____ Other _____

Local Surveys and Census

Survey Examples

CHARLESTOWN PUBLIC FACILITIES SURVEY

For Official Use

Over: _____

LMI: _____

VL: _____

XL: _____

Name _____
Address _____
Phone _____

Number of Persons in Household _____
Number of Household Members 62 or Older _____
Number of Disabled in Household _____

Household Information - Total number of persons in household by:

1. Race
 - White _____
 - Black/African American _____
 - Asian _____
 - American Indian/Alaskan Native _____
 - Native Hawaiian/Other Pacific Islander _____
 - American Indian/Alaskan Native & Other _____
 - Asian & White _____
 - Black/African American & White _____
 - American Indian/Alaskan Native & Black/African American _____
 - Other Multi-Racial _____
2. Ethnicity
 - Non-Hispanic _____
 - Hispanic _____
3. Head of Household:
 - Male _____
 - Female _____
4. What type of sanitary waste disposal does your home use?
 - Connection to a Sanitary Sewer _____
 - Septic Tank _____
 - Outdoor Toilet _____
 - Other: _____
5. Has your home ever had flood damage? _____
6. Are any household members related to city/county employees or elected officials. Yes _____ No _____.
If yes, please explain. _____
7. Do you receive drinking water from a Well _____ or a Cistern _____?
8. If the proposed public facility (water line, sewer line, etc.) is completed, will you use it? Yes _____ No _____

NOTE: Other questions may be added

Total Gross Annual Household Income: In the column showing the number of people in your household, circle (only one) income range that totals the gross annual household income.

1 Person	
0 -	12,050
12,051 -	20,050
20,051 -	32,050
Above	32,050

2 People	
0 -	13,750
13,751 -	22,900
22,901 -	36,600
Above	36,600

3 People	
0 -	15,450
15,451 -	25,750
25,751 -	41,200
Above	41,200

4 People	
0 -	17,150
17,151 -	28,600
28,601 -	45,750
Above	45,750

Local Surveys and Census

STEP 3 – Determine Who to Survey

- Random Selection
 - www.randomizer.org
 - Make sure that you have randomized enough households to establish a correct minimum survey amount.
- **100% Survey**



Local Surveys and Census

STEP 4 – Conduct the Survey

- Must be door-to-door, in person
- No phone calls
- No mail surveys



Local Surveys and Census

STEP 5 – Determine the Results

- Complete Survey Data
 - Only use data from valid, completed surveys
 - Clarify any errors or omissions
- Complete LMI Worksheet



Local Surveys and Census

Sample LMI Worksheet

Kentucky Community Development Block Grant LMI Worksheet

Applicant _____

App No. _____

Project _____

Part A Information Contained in Your Survey Responses

1.	Total number of households in the service areas	_____	
2.	Total number of households responding to the survey	_____	
3.	Response rate	<u>#DIV/0!</u>	#2 / #1
4.	Total number of low-and-moderate income households surveyed	_____	
5.	Total number of persons living in the low-and-moderate income households surveyed	_____	
6.	Total number of over-income households surveyed	_____	
7.	Total number of persons living in the over-income households surveyed	_____	
8.	Total number persons living in the households surveyed	<u>0</u>	#5 + #7

Part B Calculations

9.	Average size of the low-and-moderate income households	<u>#DIV/0!</u>	#5 / #4
10.	Average size of over-income households	<u>#DIV/0!</u>	#7 / #6
11.	Proportion of low-and-moderate households	<u>#DIV/0!</u>	#4 / #2
12.	Proportion of over-income households	<u>#DIV/0!</u>	#6 / #2
13.	Estimate of total number of LMI households in project area	<u>#DIV/0!</u>	#1 * #11
14.	Estimate of total number of over-income households in project area	<u>#DIV/0!</u>	#1 * #12

Local Surveys and Census

STEP 6 – Document your Efforts

You may have to provide this information at any time!

- Surveys
- LMI Worksheet
- Randomizer Results
- Correspondents from Survey Process
- Maps of the Service Area



Local Surveys and Census

Common Mistakes

- Mapping the Service Area
- Invalid Surveys
- Misrepresented LMI Worksheets



Sample Income Limits

2015 HUD Income Limits.pdf - Adobe Acrobat Reader DC

File Edit View Window Help

Home Tools 2015 HUD Income ... x

7 / 9 150%

Monroe County, KY
FY 2015 MFI: 36500

EXTR LOW INCOME	11770	15930	20090	22950	24800	26650	28500	30300
VERY LOW INCOME	16100	18400	20700	22950	24800	26650	28500	30300
LOW-INCOME	25700	29400	33050	36700	39650	42600	45550	48450

Montgomery County, KY
FY 2015 MFI: 45100

EXTR LOW INCOME	11770	15930	20090	22950	24800	26650	28500	30300
VERY LOW INCOME	16100	18400	20700	22950	24800	26650	28500	30300
LOW-INCOME	25700	29400	33050	36700	39650	42600	45550	48450

Morgan County, KY
FY 2015 MFI: 43200

EXTR LOW INCOME	11770	15930	20090	22950	24800	26650	28500	30300
VERY LOW INCOME	16100	18400	20700	22950	24800	26650	28500	30300
LOW-INCOME	25700	29400	33050	36700	39650	42600	45550	48450

Muhlenberg County, KY
FY 2015 MFI: 48000

EXTR LOW INCOME	11770	15930	20090	24000	25950	27850	29800	31700
VERY LOW INCOME	16800	19200	21600	24000	25950	27850	29800	31700
LOW-INCOME	26900	30750	34600	38400	41500	44550	47650	50700

Nicholas County, KY
FY 2015 MFI: 47800

EXTR LOW INCOME	11770	15930	20090	23550	25450	27350	29250	31100
VERY LOW INCOME	16500	18850	21200	23550	25450	27350	29250	31100
LOW-INCOME	26400	30200	33950	37700	40750	43750	46750	49800

Ohio County, KY
FY 2015 MFI: 44800

EXTR LOW INCOME	11770	15930	20090	22950	24800	26650	28500	30300
VERY LOW INCOME	16100	18400	20700	22950	24800	26650	28500	30300
LOW-INCOME	25700	29400	33050	36700	39650	42600	45550	48450

Owen County, KY
FY 2015 MFI: 62400

EXTR LOW INCOME	13100	15930	20090	24250	28410	32570	36730	40890
VERY LOW INCOME	21850	25000	28100	31200	33700	36200	38700	41200
LOW-INCOME	34950	39950	44950	49900	53900	57900	61900	65900

Owsley County, KY
FY 2015 MFI: 29600

EXTR LOW INCOME	11770	15930	20090	22950	24800	26650	28500	30300
VERY LOW INCOME	16100	18400	20700	22950	24800	26650	28500	30300
LOW-INCOME	25700	29400	33050	36700	39650	42600	45550	48450

11.00 x 8.50 in

Local Surveys and Census

Sample Survey

COMMUNITY PROJECTS SURVEY

Survey #
Name
Address

Number of Persons in Household _____
Number of Household Members 62 or Older _____
Number of Disabled in Household _____

For Official Use
Over: _____
LMI: _____
VL: _____
XL: _____

Household Information - Total number of persons in household by:

1. Race White _____
Black/African American _____
Asian _____
American Indian/Alaskan Native _____
Native Hawaiian/Other Pacific Islander _____
American Indian/Alaskan Native & Other _____
Asian & White _____
Black/African American & White _____
American Indian/Alaskan Native & Black/African American _____
Other Multi-Racial _____
2. Ethnicity Non-Hispanic _____ Hispanic _____
3. Head of Household: Male _____ Female _____
4. Are any household members related to a _____ employee or elected official. Yes _____ No _____
If yes, please explain: _____

Total Gross Annual Household Income: In the column showing the number of people in your household, check (only one) income range that totals the gross annual household income.

TOTAL GROSS ANNUAL FAMILY INCOME				
1 PERSON	___ Below \$11,770	___ \$11,771 - \$16,100	___ \$16,101 - \$25,700	___ Above \$25,701
2 PERSONS	___ Below \$15,930	___ \$15,931 - \$18,400	___ \$18,401 - \$29,400	___ Above \$29,401
3 PERSONS	___ Below \$20,090	___ \$20,091 - \$20,700	___ \$20,701 - \$33,050	___ Above \$33,051
4 PERSONS	___ Below \$22,950		___ \$22,951 - \$36,700	___ Above \$36,701
5 PERSONS	___ Below \$24,800		___ \$24,801 - \$39,650	___ Above \$39,651
6 PERSONS	___ Below \$26,650		___ \$26,651 - \$42,600	___ Above \$42,601
7 PERSONS	___ Below \$28,500		___ \$28,501 - \$45,550	___ Above \$45,551
8 PERSONS	___ Below \$30,300		___ \$30,301 - \$48,450	___ Above \$48,451

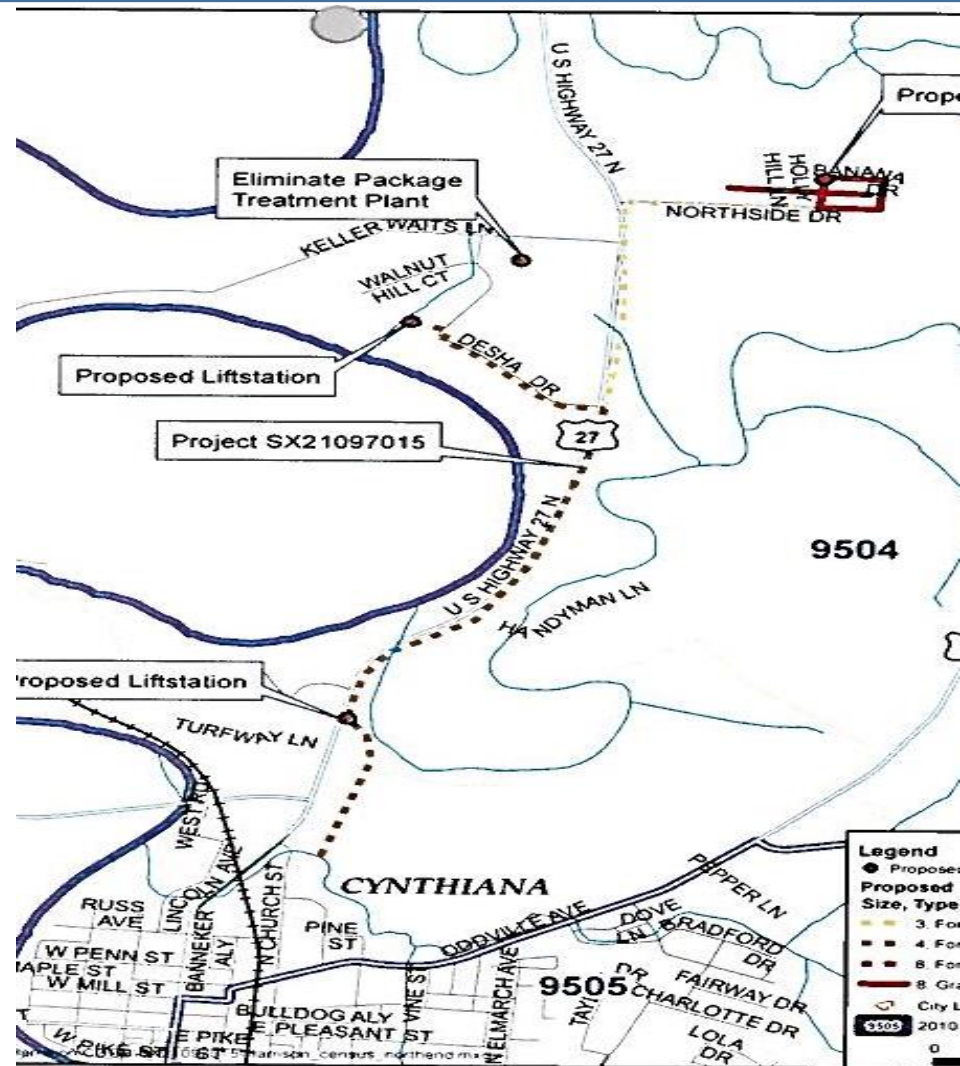
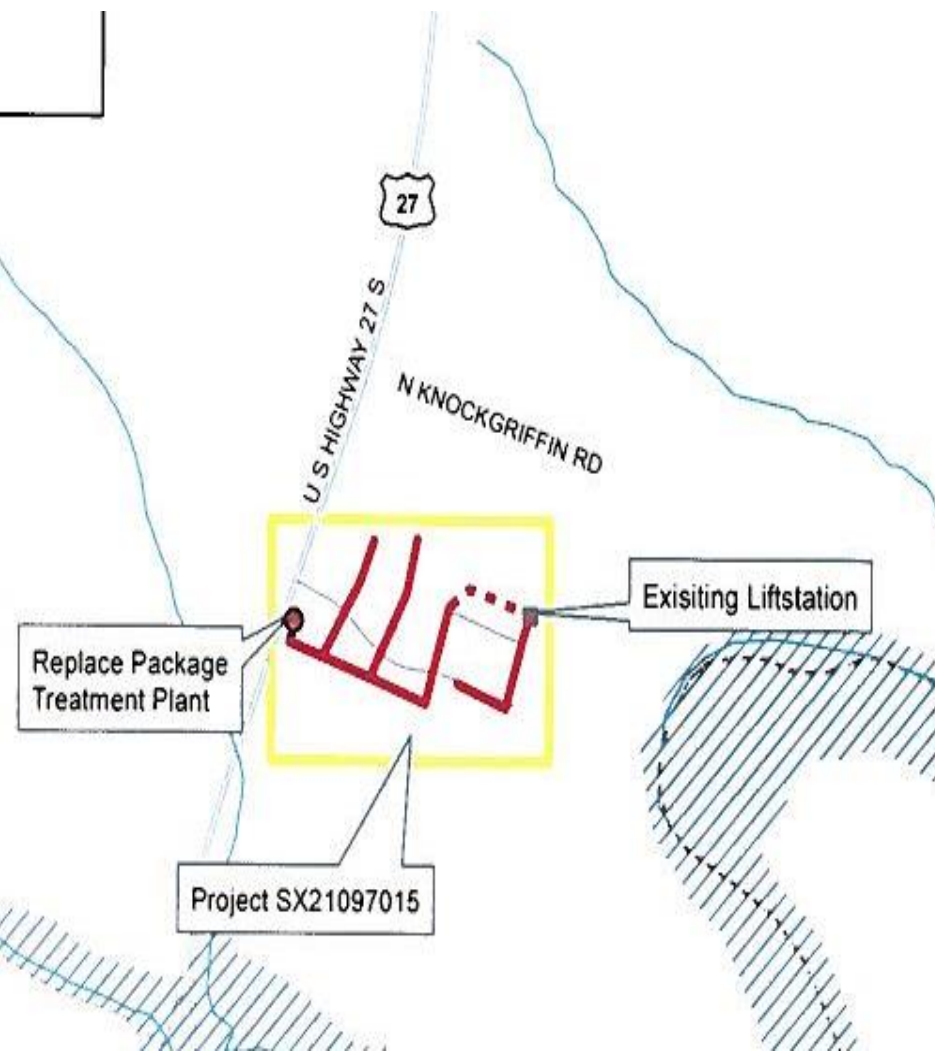
I hereby certify that the above information is true and accurate to the best of my knowledge and fully understand that this information is subject to verification by the city/county, the State or HUD upon their request. Falsifying this information will result in payback of CDBG funds.

Signature _____ Date _____ Interviewer _____



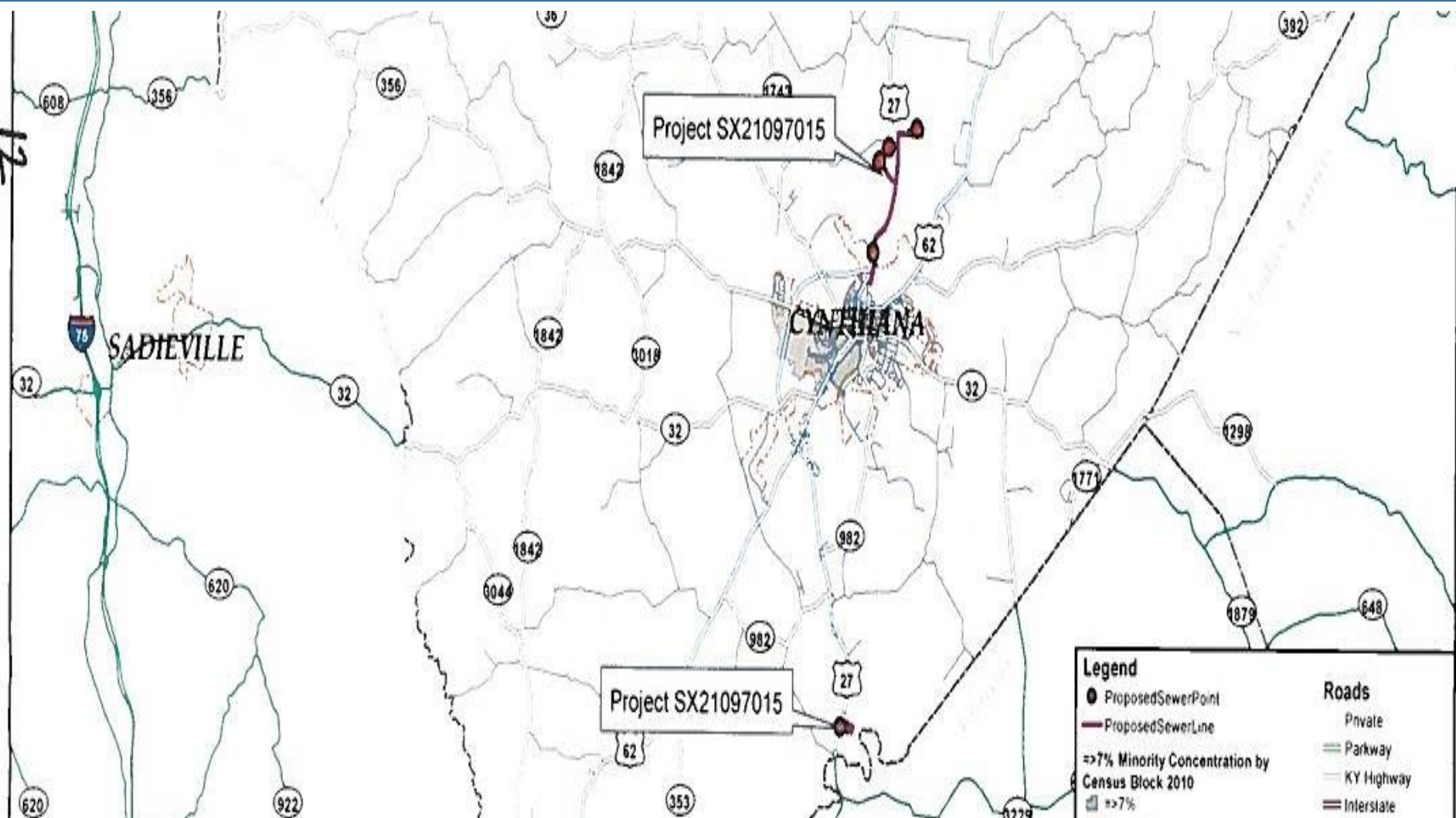
Local Surveys and Census

Sample Service Area



Local Surveys and Census

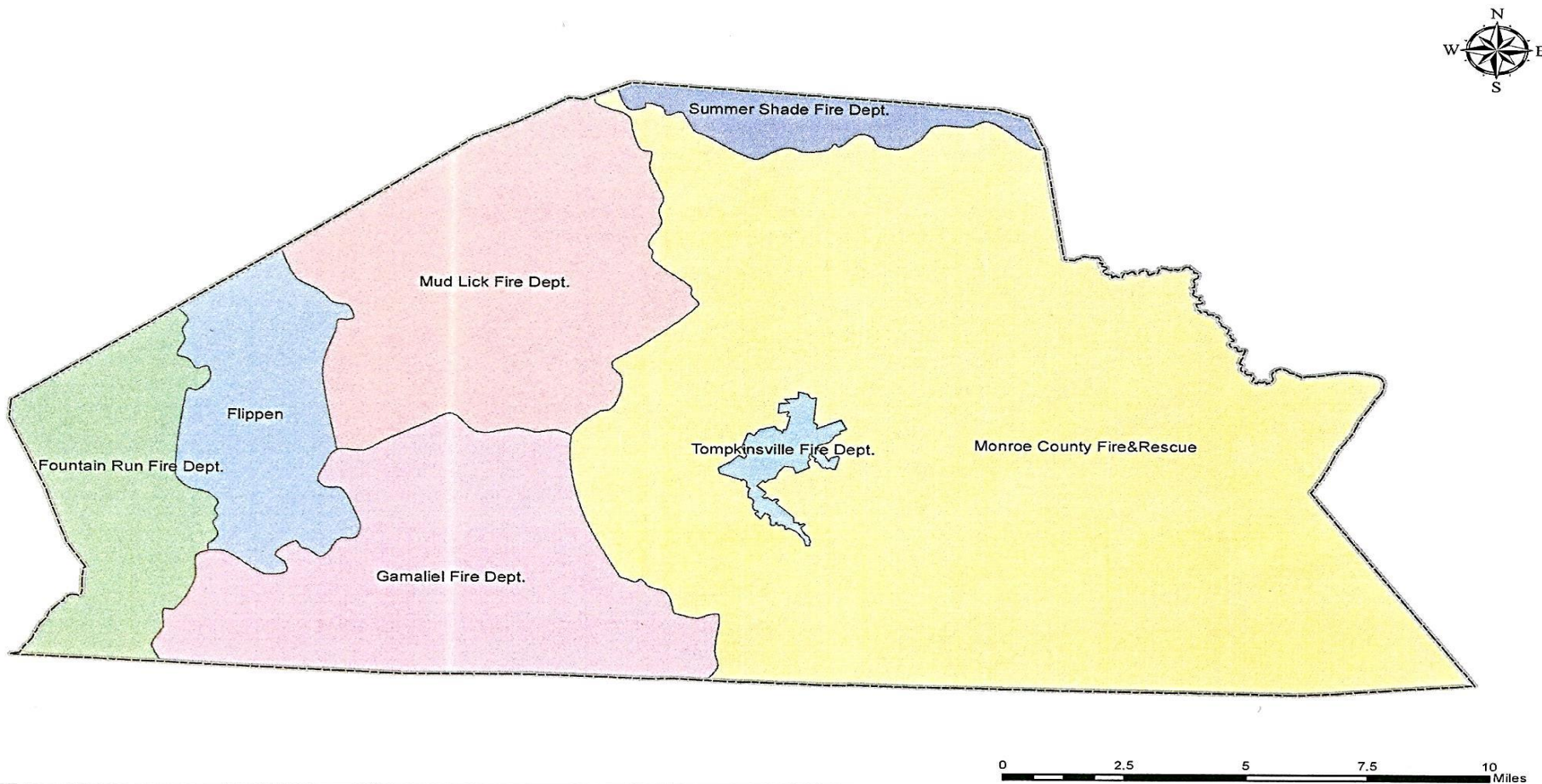
Sample Service Area



Local Surveys and Census

Sample Service Area

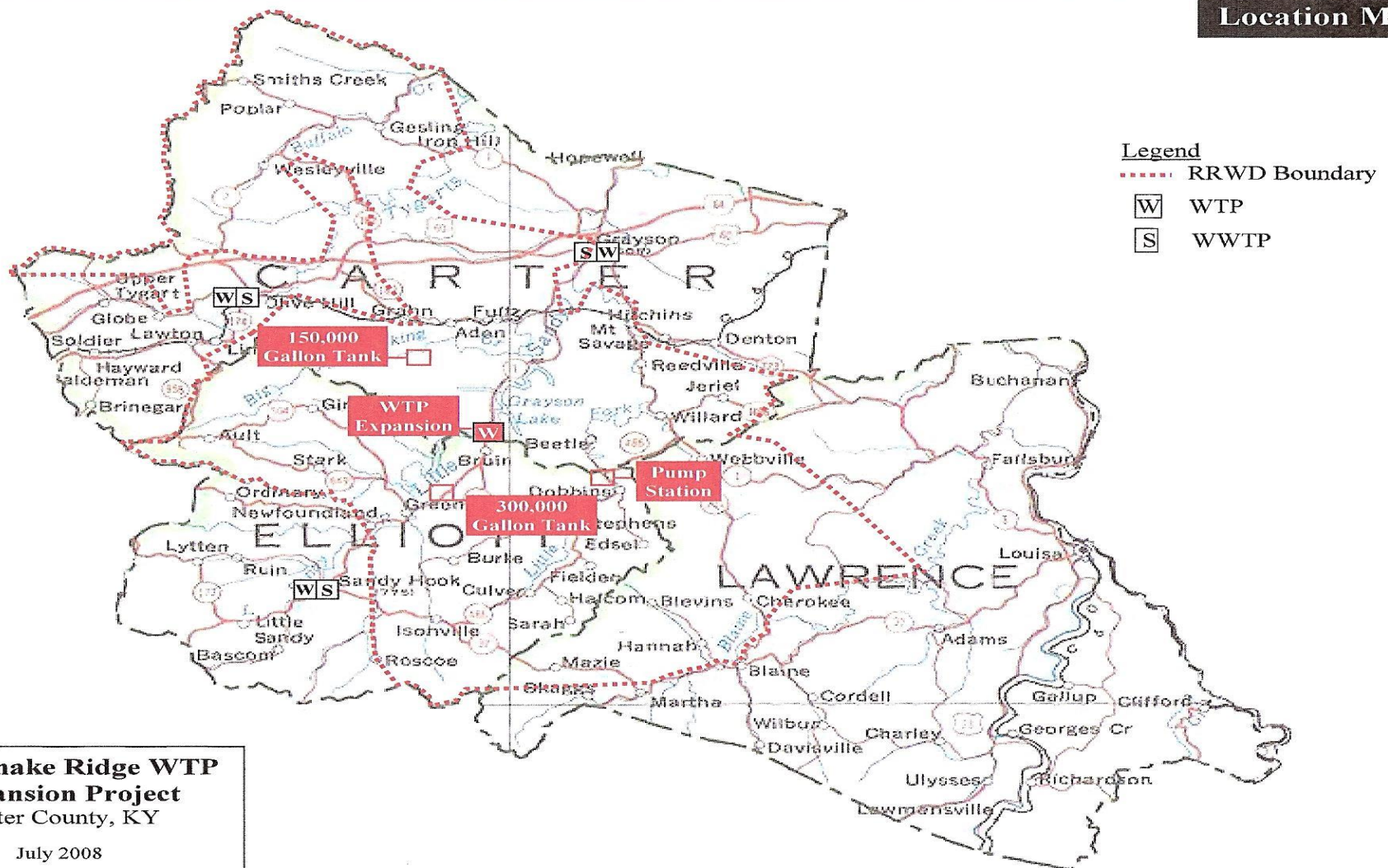
Fire Districts in Monroe County, Kentucky



Local Surveys and Census

Sample Service Area

Location Map



Local Surveys and Census

Internet Links

- American Community Survey
 - www.census.gov/acs
 - American Fact Finder 2
 - ACS
- LMI Data for the State of Kentucky
 - www.hud.gov/offices/cpd/systems/census/ky/index.cfm



Local Surveys and Census

Finding Census Tract Information

- www.census.gov
- www.ksdc.louisville.edu/1maps.htm



Community Projects



Community Projects



**Powell
County
Senior
Citizens
Center**



Community Projects

Funding Allocation

\$5,284,771

Grant Ceiling

\$500,000

(No multi-jurisdiction)



Community Projects

Types of Projects

- Senior Centers
- Community Centers
- Health Departments
- Domestic Violence Shelters



Community Projects

Types of Projects

- Emergency Services
(Fire Stations – some limitations)
- Food Banks (facility only)
- Libraries
- Removal of Slum/Blight



Community Projects

Types of Projects

- Removal of Architectural Barriers
- Facility for Handicapped Individuals



Community Projects

Meeting National Objectives

- Census
- Surveying
 - Service Areas
 - Clients
- Limited Clientele
- Slum/Blight- Spot Basis



Community Projects

NEW

Meeting National Objectives/ Project review

- Meeting with DLG staff is required prior to application submission



Community Projects



Submission Date

Original and one (1) copy
of the 2019 application
must be submitted by
close of business on
July 1, 2019



Community Projects

Review Criteria

- Project Need
- Necessary and reasonable expenditure of CDBG funds
- Project effectiveness



Community Projects

Review Criteria

- Project Need
 - Must substantiate a need
 - Must address that need
 - Must demonstrate that this is significant to the community



Community Projects

Review Criteria

- Necessary and Reasonable
 - Must substantiate that the CDBG funding is necessary
 - Amount of CDBG funds are reasonable in comparison to other funding sources



Community Projects

Review Criteria

- Project Effectiveness
 - How will it *meet the need*?
 - Demonstrate the *local effort*
- Good Program Design



Community Projects

Project Priority



Community Projects

Priority I

- Minimum match of 15% of total project cost
- Have met all program requirements
- All other funds are firmly committed
- Design complete and approved

“Ready – to - Go”



Community Projects

Priority II

- Have met all program requirements
- Minimum of a 10% match
- All other funds are firmly committed
- Design approval is preferred, but not required



Community Projects

Priority III

- Have met all program requirements
- Project need lower than I and II
- Match may be < 10% or may not be firmly committed



Community Projects

Priority IV

- Projects have *NOT* met all program requirements

Project will not be recommended for funding.



Community Projects



NOTE:

In-Kind donations
and contributed
property are **NOT**
accepted as
match.



Community Projects

Project Selection Committee Review

- Staff write-ups submitted to the review committee designated by the Commissioner
- Committee will meet to evaluate projects based on the review criteria and staff comments
- A determination will be made to approve, reject or defer



Community Projects



**Guthrie
Fire Station**



Community Projects

Todd County Health Department



Community Projects



Pillar Community
Engagement Center
– Oldham County



Community Projects

Hancock County Food Bank



Housing



Housing



Housing

Funding Allocation

\$2,900,000

Grant Ceiling

\$1,000,000

*Info can be found on pages 35-39 in the
Guidelines*



Housing

Application Requirements

- A complete application, with all attachments, must be submitted by close of business on January 31, 2020



Housing

Application Requirements

- Original and one (1) copy of 2019 Housing Application
- Authorizing Resolution (with number)



Housing

Application Requirements

- National objective and fundability criteria must be met according to the Housing and Community Development Act



Housing

Application Requirements

- Must meet threshold requirements, found beginning on page eight (8) of the Guidelines, Section III
- Must meet Citizen Participation requirements (Section III, too)
- Clearinghouse endorsement letter



Housing

Application Requirements

- Determination of eligibility from Kentucky Heritage Council and clearance from SHPO (for every property, go ahead and do stand-by properties)
- Health department correspondence if it involves septic systems



Housing

Application Requirements

- Homeowner List (include stand-by properties)
 - Ranking (1, 2, 3)
 - Score
 - Name and address of property owner
 - Number in household
 - Number of elderly, disabled and female head of household
 - Income status
 - If doing rehab, major rehab or reconstruction
 - Amount of CDBG funds vs. amount of other funds
 - Amount of relocation assistance per household



Housing

Application Considerations

- If your project involves non-profits, provide proof of their 501(c)(3) status to prove eligibility
- If it is a neighborhood project, you must provide a copy of the community redevelopment plan



Housing

Application Considerations

- Voluntary projects:
 - Copy of the participants solicitation ad (including scoring criteria)
 - Copy of the voluntary relocation policy; this will effect the cost summary



Housing



Submission Dates and Application Acceptance

- **Housing Application (with attachments) must be submitted by close of business on January 31, 2020**
- **Activities must meet fundability criteria, as established in the Housing and Community Development Act.**



Housing

Life of Application

- Applicants may “roll over” unsuccessful application to the next year with written approval from DLG
 - Submit request
 - Minimal changes
 - Limited Submissions may be required
 - Not recommended for projects with major issues



Housing

new

Meeting National Objectives

- Meeting with DLG staff is required prior to application submission



Housing

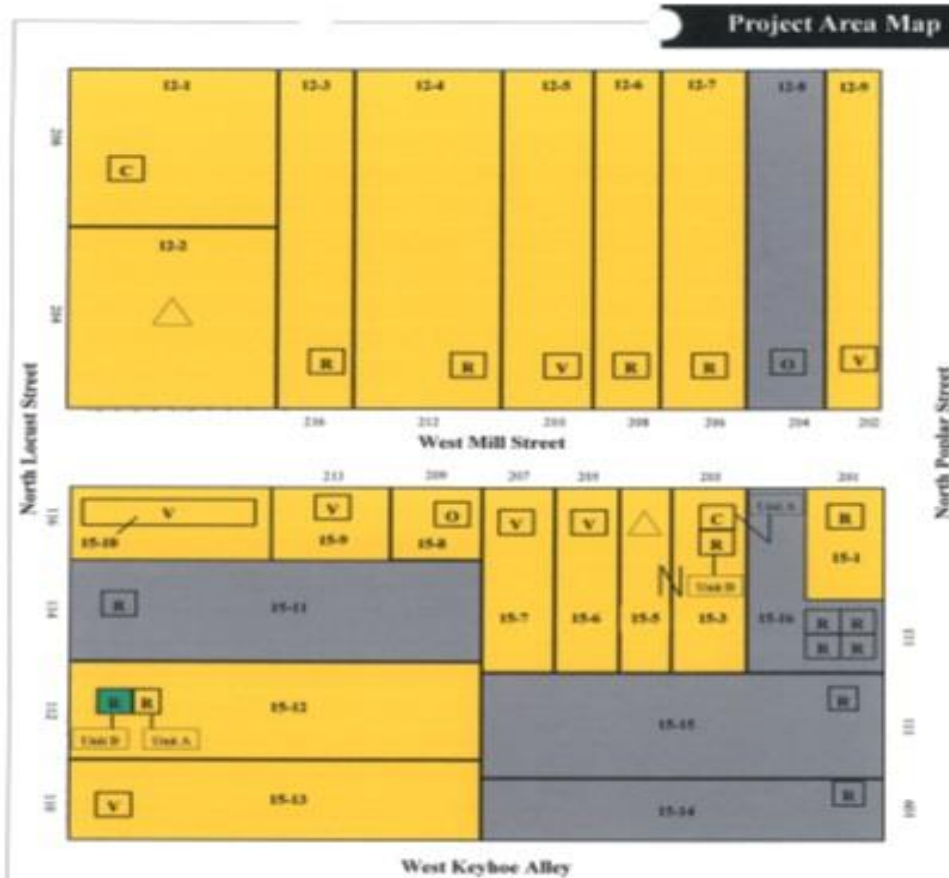
Voluntary Single Family Homeowner Rehabilitation



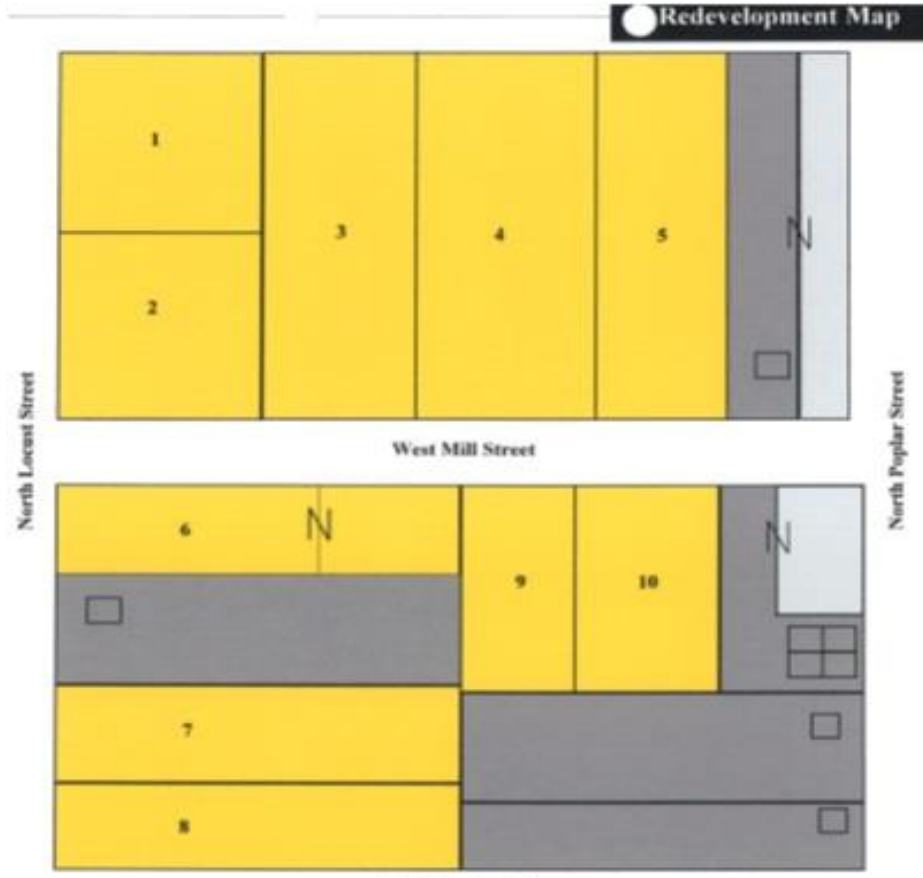
Housing

Neighborhood Redevelopment

Project Area Map



Redevelopment Map



Housing

Neighborhood Redevelopment



Housing

Neighborhood Redevelopment



Housing

Multi-Family



Housing

Project Selection Process



Housing

Review Criteria

- Project Need
- Necessary and reasonable expenditure of CDBG funds
- Project effectiveness

REVIEW



Housing

Review Criteria

- Project Need
 - Must substantiate a need
 - Must address that need
 - Must demonstrate that this is significant to the housing needs of the community



Housing

Review Criteria

- Necessary and reasonable
 - Must substantiate that CDBG funding is necessary
 - Amount of CDBG funding is reasonable



Housing

Review Criteria

- Project Effectiveness
 - Will the project accomplishments be significant enough to address the needs?
 - Local efforts put forth to address the needs



Housing

Project Priority



Housing

Priority I

- Minimum match of 25% of CDBG funds requested
- Have met all program requirements
- All other funds are firmly committed
- Exhibit serious housing needs
- Substantiate significant project accomplishments
- Maximize the impact of CDBG funds
 - This includes the level of CDBG funds applied to housing units versus CDBG funds applied to Public Facilities within the overall housing project



Housing

Priority II

- Minimum of a 10% match of CDBG funds requested
- Have met all program requirements
- All other funds are firmly committed
- Project needs, accomplishments and impact of CDBG funds and /or benefits are less acceptable than a Priority I
 - This includes the level of CDBG funds applied to housing units versus CDBG funds applied to Public Facilities within the overall housing project



Housing

Priority III

- Have met all program requirements
- Project has potentially serious deficiencies, may or not may be a fundable project
- Project need lower than I and II, including less than a 10% match of CDBG funds requested
 - This includes the level of CDBG funds applied to housing units versus CDBG funds applied to Public Facilities within the overall housing project



Housing

Priority IV

- Projects have serious deficiencies and are ineligible or not fundable

Project will not be recommended for funding.



Housing

Match Requirements

Note: Only firmly committed matching funds in the form of supplemental financing (i.e.: loan financing, cash, other grant funds, etc...) will be accepted to meet the 25% or 10% match requirements.

In-kind donations and contributed property will not be accepted as match.



Housing

Project Selection Committee Review

- Staff write-ups submitted to the review committee designated by the Commissioner
- Committee will meet to evaluate projects based on the review criteria and staff comments
- A determination will be made to approve, reject or defer



Housing

Project Selection Committee Review

- Projects that do not meet all three of the review criteria will not be funded
- If demand exceeds amount of funds available, those projects with the greatest need and effectiveness will be funded



Housing

Project Selection Committee Review

- In some situations, a project will be eligible for partial funding. In such instances, DLG will negotiate with the applicant to ascertain whether the project can be reduced in size or restructured.



Housing

Tips for Making the Strongest Housing Application

- Maximize the use of CDBG funds through leveraging as many sources as possible
- Demonstrate the Community Impact
- Show Long-Term Sustainability in Redevelopment Plans



Economic Development



Economic Development

Program Structure

- Traditional Economic Development
- Non-Traditional Economic Development



Economic Development



Submission Date

March 1, 2019

through

close of business on

January 31, 2020



Economic Development

Funding Allocation

\$4,300,000



Economic Development

Grant Ceilings

- Individual
 - \$1,000,000 Traditional
 - \$250,000 Non-Traditional
- Multi-Jurisdictional
 - \$2,000,000 Traditional
 - \$500,000 Non-Traditional



Economic Development

Acceptance of Applications

Original and one (1) completed copy of the standard application form

- Activities described in application will be checked to determine if they meet fundability criteria as established in the Housing and Community Development Act



Economic Development

Traditional Economic Development

- Projects that specifically address the creation or retention of jobs for persons of low and moderate income
- Typically through assistance to specific business/industrial clients



Economic Development

Non-Traditional Economic Development

- Projects that allow funding of eligible activities that benefit LMI persons that are not directly related to job creation
- Focus on activities that assist LMI individuals to “find and keep a job.”



Economic Development

Examples of Non-Traditional Projects

- Child care facilities located in industrial parks or other points of employment within the community
- Job skills assessment programs
- Job training/placement facilities



Economic Development

Economic Development proposals requesting assistance under the **Housing and Community Development Act:**

- Section 5305(a)(14)
- Section 5305(a)(15)
- Section 5305(a)(17)



Economic Development

Section 5305(a)(14)

- Assisted activities can be by grant or loan
- Generally does not involve a sub-recipient
- Any loan fund repayment provided under (a)(14) will generate Program Income (revolving fund)
- Think utilities and infrastructure



Economic Development

Section 5305(a)(15)

- Generally involves same type of activities as (a)(14)
- Funds passed to local non-profit development corporation (i.e. industrial foundations, etc.)
- Non-profit must carry-out the activity
- Purchase equipment, vacant industrial buildings, finish-out spec buildings, rehab an existing structure for a local company
- Can capitalize lease to company
- Will generate Local Development Authority funds



Economic Development

Section 5305(a)(17)

- Direct assistance to private, for-profit company
- Must meet underwriting requirements to prove necessary and appropriate
- Caution on undue enrichment
- Bank of last resort
- Must deal with job retention issues
- Very rare



Economic Development

Review Criteria for Traditional Economic Development

- Permanent jobs created or retained
 - Documentation of number, type and salary range
 - Documentation to support LMI (surveys)
 - Acceptance of LMI hiring by the Participating Party (commitment letters)



Economic Development

Review Criteria for Traditional Economic Development

- Ratio of other public/private funds to CDBG funds
- Applicability of recaptured funds
- Recipient must establish Revolving Fund guidelines, if not previously established



Economic Development

Additional *Review Criteria* for Non-Traditional Economic Development

- Project must address a need that is significant to the economic development efforts of the community
- Necessary and reasonable expenditure of CDBG funds
- Demonstrate project effectiveness
- Low and moderate income qualification



Economic Development

Project Priority



Economic Development

Priority I

- Meet all program requirements
- Exhibit serious economic development need to the community
- Maximize the impact of CDBG funds
- Substantiate significant accomplishments



Economic Development

Priority II

- Meet all program requirements
- Solid, fundable projects
- Can be funded or deferred, if appropriate
- Does not meet the 1/3 funding policy



Economic Development

Priority III

- National Objective not clearly identified
- Ineligible activities or activities that do not fit the Economic Development program criteria
- Project has other deficiencies that make it unfindable



Economic Development

Project Review Process

- Should demand for funds exceed the amount of funds available, projects with the greatest need and effectiveness will be recommended for funding
- DLG may negotiate with applicant to determine whether project can be restructured or reduced



Economic Development

Project Review Process

- DLG has right to defer a project to a subsequent funding round
 - *New application is not necessary*
- Applicant may request a second review by letter of appeal to DLG Commissioner



Economic Development

Additional Items to Note

- State Guidelines allow up to **\$20,000** per job created or retained
- A Participating Party has two years to meet the National Objective (job creation, etc.)
- CDBG generally cannot participate greater than one-third of total project cost



Economic Development

CDBG vs. Private Enterprise

- “Job Pirating” considerations
- Environmental Assessment time frame
- Documentation needed to support the LMI requirement



Economic Development



Economic Development



Economic Development



Public Facilities



Public Facilities

Funding Allocation

\$6,500,000

Grant Ceiling

\$1,000,000



Public Facilities

- National Objective
 - LMI-Area Basis
 - Mandatory pre-application meeting
- Census vs. Survey vs. Combo
 - Contact Jennifer Peters
jennifer.peters@ky.gov
and Travis Weber
travis.weber@ky.gov



Public Facilities

Fundable Activities

- Eligible activities as defined by the Community Development Act
- Kentucky's activities are primarily water & sewer infrastructure



Public Facilities

Applicants = Cities and Counties

- **Sub-recipients** = Water/Sewer Districts and other Jurisdictions
 - Need to have the Sub-recipient involved from project planning stage
 - Grant Agreement will require legally-binding agreement between Applicant and Subrecipient
 - Who will own operate and maintain the improvements



Public Facilities

Section VIII

Pages 40-45 of the 2019 Guidelines



Public Facilities

Review Criteria

- Project Need

- Must substantiate a need
- Must address that need
- Must demonstrate that this is significant to the infrastructure needs of the community



Public Facilities

Review Criteria

- **Necessary & Reasonable**

- Must substantiate that CDBG funding is **necessary**
 - Are there other options for funding?
 - Is applicant contributing anything?
 - Are rates low enough for borrowing?
 - Is project scope of reasonable size?



Public Facilities

Review Criteria

- Reasonable

- Are CDBG funds reasonable in comparison to other sources?
- Is the project cost effective?
- Have all design alternatives been considered?
- What is the cost comparison to other applicants?



Public Facilities

Review Criteria

- Project Effectiveness

- Document how the project will address the needs
- Demonstrate the local effort to address needs
- Capability to manage the improvements
- Readiness to undertake project



Public Facilities

Project Priority

Pages 42-43



Public Facilities

Priority I



- Meets all program requirements
- Significant need
- Significant benefit
- Minimum match of 1 to 1
- All other funds firmly committed
- Design approved
- Regionalized issues addressed
- Costs per user \$12,000 or less
- Combined rates of \$40 or more per month (\$20 sewer/
\$20 water)



Public Facilities

Priority II

- Meets all program requirements & are fundable projects
- Moderate or better need
- Moderate or better benefits
- Minimum match of 1 to 1
- Other funds may or may not be committed
 - Engineering design may or may not be complete and/or approved
 - Regionalization issues addressed
 - Cost per user \$12,000 or less
 - Combined rates \$40 or more per month



Public Facilities

Priority III

- Meets all program requirements
- Project need or benefit less than that needed for Priority I or II
- Less than 1 to 1 match
- Projects with cost per household greater than \$12,000
- Combined current water & sewer rates less than \$40 per 4,000 gallons
- Current water rate less than \$20 for 4,000 gallons
- Current sewer rate less than \$20 for 4,000 gallons



Public Facilities

Priority IV

- Have not Met a National Objective
- May not have met all program requirements
- One or more serious deficiencies
- These projects will NOT be recommended for funding



Public Facilities

What are Self-Help Projects?

- Small projects that can be completed by existing personnel within 24 months
- CDBG funds can be used to purchase materials, lease or rent equipment, administration, etc.
- Grant ceiling is \$250,000



Public Facilities



Submission Date

March 1, 2019

through

close of business on

July 1, 2019



Public Facilities

Use Standard Application Forms

- https://kydlgweb.ky.gov/Documents/CDBG_cities/2018%20CDBG%20Full%20Application%20FINAL-PF.doc



Public Facilities

Life of Application

- May “roll over” unsuccessful application to next year
 - Submit request
 - Changes minimal
 - Limited Submissions may be required
- Not recommended for projects with major issues



Public Facilities

Application Requirements

- 1. Pre-Application Meeting**
- 2. KY Water Resource Information System (WRIS)**
 - a. Work with your ADD Water Planner
 - b. Contact Dustin Horn of KIA for assistance
 - a. This should be one of your first steps completed
- 3. eClearinghouse Endorsement**
 - a. Work with your ADD Water Planner
 - b. Contact Lee Nalley of DLG
 - c. WRIS and eClearinghouse **MUST** match
 - a. Start this process early enough to allow no less than 30 days for review



Public Facilities

Application Requirements- Read and follow instructions and layout on page 2

4. Project Summary
 - a. Keep it brief- do not need complete history
 - b. Pertinent information only-
 - a. Be specific
 - b. Use quantities not generalities
5. Funding Summary
6. Cost Summary- follow instructions on page 5
7. Detailed Engineer's Estimate

Numbers/Amounts in items 5, 6 and 7 **MUST** equal each other



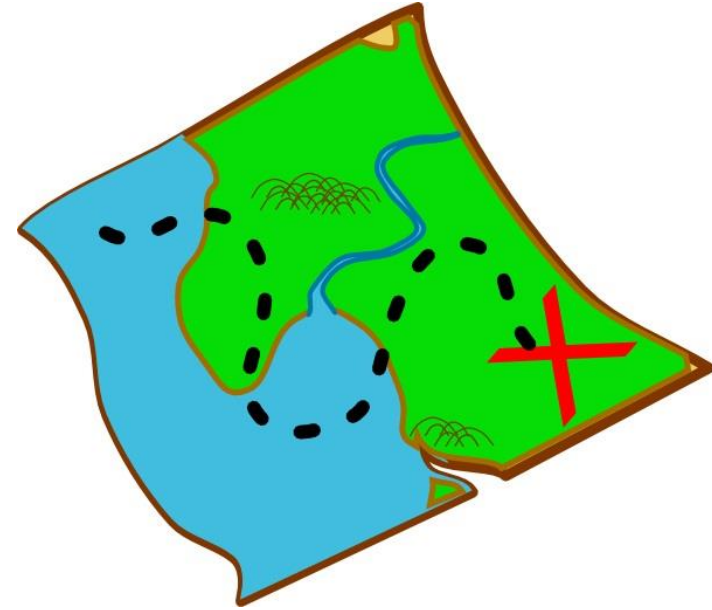
Public Facilities

Application Requirements

8. Mapping Requirements

- a. Census Tract
- b. Jurisdiction
- c. Service Area

- All maps must be legible and clearly defined as instructed on **page 6**.
- We prefer color



Public Facilities

Application Requirements

9. **Income Eligibility**-this should have been discussed in pre-application meeting
 - a. **Census/Survey/Combo**
 - b. **LMI Worksheets**
10. **Benefit Profiles**
 - a. **Person Profile and Household Profile- see pages 10-13**
11. **Authorizing Resolution**
12. **Commitment of Other Funds**
13. **HUD Applicant/Recipient- Disclosure Form**
list all council/Fiscal Court members



Public Facilities

Application Requirements

14. Thresholds

- a. Audits
- b. Program Income/Miscellaneous Revenue Report
- c. Open Projects

15. Line Extensions

- a. Minimum of Six (6) Customers Per Mile
 - a. Does NOT Apply to Self-Help



Public Facilities

Application Requirements

16. Division of Water

- a. KY Water Management Plans
- b. Wastewater Planning Documents (Facility Plan or Asset Inventory)
- c. Engineering Design Approval (Preferred)

All DOW required planning documents must be approved prior to submittal



Public Facilities

Application Requirements

17. Division of Water Contacts – (502) 564-3410

a. Water Infrastructure Branch

Jory Becker, Branch Manager

b. Engineering and Design

Terry Humphries, Supervisor –
terry.humphries@ky.gov

c. Wastewater Section Development

Russell Neal, Supervisor –
russell.neal@ky.gov



Public Facilities

Application Requirements

18. Complete Application Equals
 - a. 2019 Standard Public Facilities Application Forms
 - b. Complete All Required Documents
 - c. See Page Two (2) of the Application
19. Submit Original and Three (3) copies



Public Facilities



- Application Questions from DLG
- Final Write-up by DLG



Public Facilities

Project Selection Committee Review

- Staff write-ups will be submitted to a review committee appointed by the Commissioner.
 - Committee will meet to evaluate projects based on the review of criteria and staff comments.
 - A determination will be made to **approve**, **reject** or **defer**.



Closing Remarks

**Executive Director
Amy C. Barnes
Office of Federal Grants**



Department for Local Government Office of Federal Grants

1024 Capital Center Drive, Suite 340

Frankfort, Kentucky 40601

502-573-2382

800-346-5606

https://kydlgweb.ky.gov/FederalGrants/CDBG_cities.cfm

